Exhibit 43

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Tel call with B.L. Madoff.

We reviewed, once again, the bands within which the stocks, puts and calls are set up. We agreed on how much risk could be taken (how much the stocks would fall before the puts kicked in), and how much they could appreciate before being called away. Bernie repeated that he would check, each time he was ready to come in, on the absolute loss tolerated, and its relation to the gain possibly achieved, on a % basis. Very similar to many previous conversations

Exhibit 44

Nov 2006

Long Tlk with B.L. Madoff, fourth quarter review

As usual, reviewed the strategy. Same basic concepts, returning back to the Trading Directive. (check copy in file) No of stocks expands. Mkt volatility up, choppiness helps returns, volatility of our returns higher, daily, intra-daily (we dont see intra-day) weekly, less, monthly more subdued, pulled out sheets, reviewed with him.

Subtle suggestion of 20 + B under mgt. Still staying no to so many. Talked about Roger's death and impact on Peter's life, role in the office. Spending 30 M a year on improving systems. Pleased with order flow.

Exhibit 45

Nov 2007

Fourth quarter visit, and third follow-up T/C.

Discussed the strategy, the bands, and the volumes of puts. Stocks expand in number up past 50 of the 100 OEX components. Increasingly, volume in puts achieved through use of O-T-C puts. Discussed names, total number (16 to 20) and percentage - moving well above half. Posting of margin and strict % allocation of contraparties to each mgd account, across the entire book of customer business also discussed. This means that every M-A shares pro-rata in all the names; they are not selected and assigned (say 5 of the 16 to 20) to each account.

Exhibit 46

April 2008

Tel. call with BLMadoff.
We're out of the market.
Everything is in Treasuries.
The Treasuries have been purchased in the names of the investors and are held in the Deposit at the Treasury. No contra-party risk. Can't be borrowed cannot be margined.

Thinks will be back in at some point. Not quite sure when.

Exhibit 47

June 11, 2008

Tel. call with BLMadoff

The B-D at Madoff has to file Focus reports. These reports have to tie together, even at the B-D level, when the Money management arm is invested or has positions. These reports are the basis for SEC oversight. SEC can come in and interview on a surprise basis.

We've been out of the market since late May. Looking for an entry point, perhaps, in July. We discussed possible "bands" at which the OEX puts and calls would be bought and sold. Agreed to wait until we're closer to coming back in.

Exhibit 48

May 1, 2000

B: …of doing that, particularly if they are existing clients or they're clients that you're close enough with, if this is not a situation where I'm going to get this kind of a phone call, where someone says Ezra's closing his end of the business, or he's limiting that and those monies are moving into you. That's the type of thing that we have to deal with.

E: I've thought of that and I addressed that in ways that would make that unlikely, but not certain, to happen.

B: We would have to sit down…

E: I can't get it down to a hundred: zero, but I have a path, or two paths, that work together, not independently, to get it there in ways that I think produce a satisfactory, if not perfect, answer. But the judge of that "satisfactory-ness" is you, and not me.

B: Right. The other thing is, you're going to have to keep a structure open, because -

E: Absolutely

B: - of some form, because I have no way of compensating you.

E: Right. I was seeking no such compensation, never have.

B: Exactly. You would have to have this as part of your –

E: It may be as simple as no change in our present relationship.

B: Obviously, that would be the most ideal situation, OK.

E: It's one of two possibilities. It's no change in the present relationship, or, it's the introduction of a - you have a pair of accounts with us. We operate as one strategy, but it comes from two accounts; we would then move from one pair to two pair. That's the whole –

B: Right. That type of thing, down the road, is probably doable.

E: Right. But it's a fair amount of money, and it probably wouldn't begin to happen until the second half of this year, which isn't, naturally, that far away from us. To be honest, it's four months down and my guess is, it would probably take somewhere, from inception, anywhere from 18 to 24 months to get it done. And it would be done, obviously, at a pace that would be mutually agreeable.

B: And the numbers you were talking about…

B: I would have to assume that some time over the next couple of years, that could double or maybe more. And I could say to myself, OK, that's probably something that I could live with; it's not, you know, as long as it's not something that's going to be flowing in here immediately I can – things evolve, OK, and I could probably be in a position to do that, particularly since I'm not allowing anybody else to…

E: we

weighted toward the back end of a one-and-a-half to three year time period, that's, there's lots of flexibility here.

B: I know. That, to me, is – does not – I do not anticipate that as something that is not doable. If you said to me, listen, I've got to close this thing out, I've got to do this thing, this year, I would say that is something I can't do.

E: I'm not saying that at all…

B: If you're telling me that you would like to be in a position, over the next, this coming year, to be able to move a couple hundred million or 200 million dollars in, and then work, you know, somewhat more than that, whether is be double, or triple that over the next year-and-a-half, my guess is, yeah, that would be fine.

E: My guess is that it would start nearer the end of this year. Then it gets two years to get it done.

B: The thing that makes it easier for me, is for you to somehow figure out a way – it's not going to be a situation where Ezra is closing out an entity; it's moving in and Bernie is making room for all of this money.

E: Whet I need, in part, for this, is two more slots with you.

B: Two more entities. That's fine. Because from my standpoint, that's not so much the issue to me, as it is a situation where one of your clients who also knows other people who are clients, who know that I'm not going to accommodate anybody, all of a sudden calling me up and saying "you're being unfair to me". And something that – I run my life trying to be even-handed with everybody. That being said, it's my business, my decision, and quite frankly, you know, if somebody did approach me with that, all that would happen is that I would say, "Now look, I've had a relationship going back with Ezra many years; he's been a good friend, he's been a very good client. He has a situation here that's a change in his situation. I'm accommodating him. That does not

mean that it's everyone else's business and that everyone else has a right to be accommodated in the same way. If you were saying to me, "Listen, I want to go out and raise new funds, I'm going out and I'm getting new monies to go into you, I would say no, that you can't do that. But this is a special situation where the monies you're managing for family and for people that you, because of the environment, you have to change; you have a responsibility to these people, which I can appreciate. You're asking for help to continue to do that and if it's within my power to do that I will do that. I'm not doing it as a philanthropic exercise nor are you. But, by the same token, quite frankly, I'm a big person about relationships, particularly people that have proven themselves to me. As I say, if you came to me and the conversation was, Bernie, look, I want to improve my life-style and I want to be able to make more money – I want to call Julius Robertson and say, look, I want to take some of the moneys you have with Tiger and place it with Bernie – this is not that situation at all.

E: Not at all. Nothing is amiss here. We're having a decent year, I'm starting to do my thinking for two or three years from now, not for next week. I've been thinking. My lead times are longer than yours, but understand, nothing bad has happened in my office.

B: I know that.

E: The only material thing that happened is that I had a birthday, so maybe I'm thinking linger term, but that's the level of the situation.

B: All I'm saying is, you've said it, I'm giving you an amber light, more towards green, and as long as we have the time frame, let's both think about it. I'm comfortable with the thought process, and we'll both go from there.

E: OK. It's an important conversation to me, as you can imagine. You are gone all next week, right?

B: Yes, I am leaving Thursday night. I'll be in my office in London and Paris for one week and then I'll be back.

E: Sounds great. Is that a little bit of a vacation, or-

B: No, I go every two to three months. I do the same crap. I go to my office in London and Paris & visit friends. We have this friend in Paris, she's the wife of an old client. She's eighty some odd years old, like sort of a surrogate mother to Ruth and myself, and we sort of go for three days and literally spend the whole day and evening

with her. The only thing that's different is, she now doesn't really like going out to dinner, you know, she's eighty-five years old, so we spend lunch – Ruth shops with her and walks around. She's an American that lived in Paris since she's twenty years old. Her husband was the guy who was very helpful to me over the years. He was an industrialist and a banker. He sold his bank out to the Rothschilds. He's a Spinoza scholar, one of the most brilliant, special people I've ever met. Unfortunately he died a few years ago.

E: Right. You actually described him to me once or twice before.

B: And we've stayed friendly with them. So we go to Paris every – Paris is not a hard place to go. While I'm there, I see some other clients that I have; I have some friends that own some investment banks and I execute orders and trade. So it gives me something – we have two or three hours of meetings in three days and the rest of it is pleasure. In London, it's all work, because I spend the whole day in the office there.

E: Did your operation get bigger?

B: It's gotten somewhat larger only in the fact that whereas I had six traders there, I have eight traders there. It's always been a profitable operation for us, but it's become very profitable. And we are presently, not to be discussed with anyone, but basically, we were approached by a major German bank to build a new trading platform for them in Europe. They own the largest discount firm in Europe and they came to us – we do a lot of business with them presently, in London. They came to us and said they would like us to develop some sort of strategic partnership with them to export our wholesale trading operation to Europe, and that they chose us as the partner they'd like to do this with. We said, you know, this is very flattering, very nice, but we have a particular amount of resources, people-wise, to do this thing, and they wanted us to spend four months – they envisioned me spending four months (it's almost comical) of my time in Frankfort, as well as my brother spending another four months there. So we explained to them that we can entertain

Exhibit 49

January 14, 2002

B. Why anybody would feel that they don't have transparency as to the strategy—actually you know that's not true. Actually you have transparency, they don't. Now I understand.

E. Actually, Bernie, all the better for you. The worse for me.

B. I know. I keep relating…when I think of an account, I think of transparency. Ezra, for example, or anybody, they know what stocks they're long; they know what stocks, they know everything and they know it faster than if they are investing in a hedge fund and get a quarterly report that does it.

E. There is a residual lack of transparency in a very basic way, and that is when people talk to me about my businesses and they ask me how much money I manage. If I get it wrong by more than plus or minus $25 million, they are going to raise an eyebrow. If someone asks me what Bernie is managing, and basically, no one does because I don't…I'm not a yenta, I don't conjecture about this to too many people…honestly, I've given up guessing.

B. I don't even know why people care about that. What am I missing? Why do people care, other than the obvious, I mean, would you run out of liquidity…

E. I think the reason people care is that…one of the tenets of the investment business, right or wrong, is that there is some basic connection between size and profitability.

B. Oh yeah. OK.

E. I don't think that's all wrong. I mean, you could say that in Bernie's case he's been defying gravity for long enough that at some point you could stop caring that much. You know what I'm saying?

B. Yeah, but I don't know how much like a Steve Cohen or any of these…but it doesn't make a difference.

E. But I know what we have with you. I don't know what the number is exactly, but it's a lot of money. It's over a billion dollars, Probably over a billion one. And a hundred million dollars is not a rounding error. I couldn't tell you if I am one of your top 10 clients, one of your top 20 clients, one of your top 50 clients, top five clients, and I don't really care, because I've made my peace with Bernie.

B. (laughing) You would certainly be one of my top 10. The thing is this: if you consider the strategy, and you know you're invested in the 35 largest cap stocks that exist, then

what the hell difference does it make? In other words, I could see where people would be saying if you're trying to find special situations and you're trying to put together 10 great stocks you want to buy, is 5 billion the right number or is 1 billion the right number or is 20 billion the right number? That's a different situation. When someone talks about an index fund, nobody gives a shit about how large an index fund is because, literally, they're buying the market. So what difference does it make? They're going to buy whatever it is, and the performance is going to do whatever the market is doing. If you're in a strategy such as ours where you're only trading in the largest cap stocks there are, the old guidelines of what most people think of -- if you're managing too much money your performance is going to suffer – does not really apply and not only that, but we clearly said…

E. But there are two other factors to add. I shouldn't be speaking for the world, which is what I'm about to do, which is stupid, nobody really knows of anybody who does what you do who is competitive with you, at least that's available to the investing public… I mean some of the street houses might, but I don't know anybody who has a strategy just like yours and who have your returns, but not adjusted to volatility.

B. That's true, but, that being said, one of the problems today with the hedge fund world… Everybody is trying to be in it, everybody is trying to do the same thing. Years ago it was for a very specialized type of investor. You had a handful of really good, sophisticated people doing it, and everybody was happy. The hedge fund world nowadays is becoming commoditized. Very much like the brokerage business. Very much like the wholesale end of our business. When I first went into the wholesale end of the business, it was a very small community of wholesalers. it was that way when I first started doing arbitrage forty years ago. You had a handful of arbitrageurs; they all spoke with accents. It was, "vaddya vanna do?" It was the Oscar Grusses and the Sy Levys, and nobody that was gentile was in that end of the business.

E. Well, this may not have been Joe Gruss' line, but I heard it from him. You know how he used to describe the arbitrage business. Joe Gruss used to say eight Jews make an ace and a gentile loses a buck.

eighth

B. Yes, I've heard that. And then it became…

E. But that's a description of Bernie also, in a way, in a generic way, without the ethnic references.

B. But what happened in our business was that all of a sudden you had a handful of wholesalers, a handful of arbitrageurs, a handful of market makers. Then, as the business got good, then everybody went into that business. So, I had Schwab and Fidelity and everybody who were my customers going in. I had Merrill Lynch, who never was a market maker, or Paine Webber or Smith Barney – everybody going into that business. It became, sort of, a commodity business, but in the beginning when people would ask an arbitrageur or ask a market maker, "how do you make your money?" nobody would tell them. All right? And everybody made the assumption that there was some mystery to it. Then, as people went into it and they started to do it, everybody started to make money. And the return on capital in the investment end of the business, historically, has been 36% return on capital, year after year after year, including all the specialists on the exchanges, and the market makers, and so on. It t is, and until recently, it ran in a very high rate, and everybody would say that's impossible, how can you make that kind of money, why isn't everybody doing it, and so on and so forth. The hedge fund business in general, and the reason why…One of the things that troubles me in the whole industry is all of the people in the industry who are trying to do the same thing that I do, which of course you can't do. When people say why isn't anybody competing with you – I used to hear that in the market making people. People would say why isn't anybody else making markets and we would say there are tons of people making markets and then, once you become too large and you try to do something differently… Knight becomes a classic example. Knight almost self-destructed himself because he…Knight went out and tried to compete with me. He was able to compete with a lot of the other firms in other areas, who just didn't have the expertise. But when he tried to compete with Morgan Stanley, Goldman Sachs, Merrill Lynch and myself, he ran into trouble. In other words, he built a great business trading all these second tier stocks, these Nasdaq bulletin board stocks, a lot of the shit, a lot of the people that I didn't want to deal with. All of the super-discounters and so on. And that's where he made his money. And the stocks that he traded against me, he didn't make nearly as much money. They weren't loss leaders, but he certainly didn't make the money. When he decided to compete against me in the listed area, and try to make markets in the listed stuff like I do, and when he tried to go up against Morgan Stanley, Goldman, and so on, in the block institutional business, he couldn't do it, because there's a lot more involved than simply making profits in those stocks than he had the expertise

to do or was willing to do. That business is a very profitable business, for, you know, a certain core group of firms and the fact that people can't figure it out doesn't mean anything. Some people can't figure out how I do what I do can't do it better than me but I'll tell you. Goldman Sachs, for example, does an almost identical type of arbitrage strategy. If I'm making 14% or 13% in some quarters, they're probably coming in at 9%. All right. And you won't hear about it, you won't know about it, because they're not telling you about it. But I know some people that they're doing it for, and in large numbers, and they may be doing it in a little more exotic ways than I do and so on and so forth. But they have a lot of problems that I don't have because of the conflict of interest. And I can put together a pure basket when they cannot, because of the pure banking relationship, and they've got lots of other conflicts they can't deal with. But it's not a strategy that is that unique. Is it a strategy that the average hedge fund manager could do? No.

E. Not just the average -- the answer is no.

B. Unless you have a very large critical mass of order flow, which none of these people would have, then you do not have the execution benefit that I have. It's not that I'm smarter than anybody -- yes, we spend more on technology than any hedge fund I know of doe and more than 99% of the brokerage industry does, trading side including Goldman and Morgan, if it comes with the type of trading we do. All right, none of them have the execution capability that I have; there are very few people that do the volume of business that I do -- on the floor of the New York stock exchange! Steve Cohen, for example. People used to say he gets great information from people on the floor, because… and that's why he does well, because he's piped in to every good floor broker who knows every block…what everybody else is doing. I don't know that that's the reason he makes money. I have no idea what the hell he even does. You know what I'm saying? But I can assure you he does a fraction of the amount of volume on the floor and out on the street that I do.

E. Right. I don't think he disagrees with that. Look, Steve Cohen is a good example. I started with Steve the year he started in business and he thought he was doing everybody a big favor by only charging 1 plus 50 because at Gruntal he kept 57%. So he couldn't raise any money. 'Cause he had no record and because 1 plus 50 is kind of a ridiculous number, number one; and number two, because to some extent, and you're a good example of this, it's very

difficult to know your end of the business. One doesn't know what you're making off of these accounts. My guess is that in better years you do a bit better and in worse years you do a bit worse, and at the end of the day it's got to be somewhere between 3% and 4%.

B. You're very high.

E. Well, I'm sorry to hear that, because I wish for you it was twice that. All I care about is the net return and if I…

B. What would you say if I told you I don't make 1.5%?

E. Then I would wonder at some point where the efficiencies lie. At some point, you've got to be looking at a fairly sizable amount…

B. What do you mean, "efficiencies"?

E. I'm about to tell you and maybe it's the wrong word. You've got to be looking after a fairly sizable amount of house capital, just stuff that belongs in some form or another to people whose last name is the same as yours, starting with you.

B. Right.

E. And I would imagine that at some point there is a correlation between size and returns. So that if you gave back, to take an extreme example, all the outside capital, and let's hypothesize that it's 80 to 85% of what you're managing (I'm just making that up; I have no idea of what I'm talking about). If you told me that your returns went up 200 to 300 basis points a year by virtue of your not running any outside capital, I would wonder why you want to be as much in the agency business and not in the principal business.

B. Well, first of all, let me explain to you…no, I can make it very easy for you. There's no great logic to many of the things that I do. I can't even explain it to myself. That could be why I'm not in the investment banking business; why I'm not doing mergers and acquisitions, and why I'm not doing lots of things I don't do. It's no different from saying why don't I have a mortgage on my house; why don't I borrow money, why don't I do a lot of things.

E. I can only quote to you Ralph Waldo Emerson, that logic is sometimes the hobgoblin of small-minded men. All I can say is there is certainly nothing small-minded about you.

B. OK, well…but I have certain rules of thumb about the way I run my life, run my business, which, quite frankly, would almost be embarrassing if Wharton came in and did a study. So, my attitude is: all right, I make on these accounts approximately 1.5%. That's the

most I would ever make. I used to make more, 3%, but now, 1.5%. But now, it's 1.5% of a large number. Certainly a larger number than when I was doing 3%. The way I have it structured , it is a very painless way of running my business. OK? I'm not out soliciting anybody. I don't have to talk to anybody, except, like, you called me who is basically a friend and who I enjoy talking to or else I'd get off the phone. So it's relatively low maintenance.

E. Look, even on me it's not lost. I am your single most investor, you must be in pretty good shape.

B. And that's why I make on that end of the business, and, is it a large number? Yes, it's a large number, OK, but it's worth the number . Could I cut half the money in half and charge twice the amount of money? Would I come out the same? Yeah, I could. If I wanted to do that I could do that. And that people have said why don't I take 20% of the return or why don't I start my own hedge fund? I could come out the same way and it's not inconceivable that somewhere down the road I would be in that position and say to somebody, "You know what? I'm going to return half the money and I'm going to charge twice the commission rate that I charge, because I want to make the same amount of money." I could do that, all right?

E. And every single one of your would say "Not in my backyard." Because that's the way the game goes.

B. But it's not something I would ever do. And why don't I do it? Because…

E. I know why you don't do it. Because you're Bernie. Because that's not the way the good Lord made you. If he made you a little differently, you would.

B. It's the same reason that, when I pay my traders a certain percentage, I don't, all of a sudden, change that around. My traders make a lot of money, I make a lot of money, I don't want any partners. I don't want to do a lot of other things, so I, therefore, leave everyone, I leave everything the way it is. It is the same in, you know, in my business. So, a lot of people that said to me, "Why didn't you sell out?" when a lot of people were doing it, and I told you, its hard to make any sense, for turning down close to $3 billion. …walks in to you and you know they have the money. I said to myself, look, I don't want to run a business for someone else. I don't want to be subjected… I'm not ready to retire, I never want to retire. I can't spend the money I have now and I enjoy coming in every day, and I enjoy having my family and everybody else

around me and I know that as soon as I sell out, regardless of what anybody tells me, that that's all over. It's all over for lots of reasons, OK? It's the same way that Buzzy sold out and saw his business disappear. Same when Lenny Mann sold out to Schwab. That is disappearing. Same when Sherwood disappeared under Deutsche Bank and the same way that Spear Leeds will disappear under Goldman, the way it's going. I don't want to deal with that. I don't want to have to go through that. The money isn't really the issue. And even if they were to give me all cash, which they offered me a combination of, I said, you know what, the stock is going to go down into the shit house. Because I know these guys would not run this place properly, and the cash is not something I care about. And it's the same thing in every aspect of my business. There are lots of things that I probably should have done, and would have been better off, being in certain ends of the business. I chose not to do that because it's just not something that I wanted to do. So, I stuck to my knotting and stayed in a very special aspect of this end of the business. I would say that I rum a market making business that is more successful than most anyone else's market making operation. Could I make more money? Could I do more business? Possibly. But would I enjoy myself or would I think it was the right thing to do? My guess would be: not.

E. But isn't that the perfect sweet spot, then?

B. It is to me.

E. But that's all that matters.

B. But what I'm saying is that when people say, like, why can't someone else do this type of thing, I will tell you that in order for me to do what I do for you, I have to manage my business in such a way that allows me to not have lots of conflicts and lots of other things that other people would do. So if Morgan Stanley wants to go in and start putting on the same trades as I and Goldman and let's assume they could build the same type of technology, they, because of other ends of their business which are very profitable to them, and which they made a lot of money on, and which are instrumental in them doing lots of other things, can't do what I do. They can't put on the positions that I put on, the way I put them on; they can't put them on as quickly. They couldn't do lots of other things because they run up against a stone wall, because of other Chinese walls and things that they have because of their other businesses. It's not because they couldn't go out and buy $5 billion worth of portfolios in large cap stocks. Anybody

that is a trader like any brokerage firm can buy $5 billion worth of stock very easily. That's not that difficult to do. And the technology to figure out what the correlations and everything else are, that they probably could do. But could they do it in the pure sense, the way I do it? Chances are none of these firms know, because they would be running up against their retail department, research department, their risk arbitrage department. You know, one department after another would not allow them to do it as efficiently as they do, and would put them in direct competition with lots of their existing clients. So, they don't do it. And that leaves the area pretty much open to me, so it's not surprising to me that I can do the returns that I do. The costs that I bring to the table are much lower than anybody else. So, it's a matter of if somebody else tried to do the same strategy, it would cost them easily 3% to 4% in cost alone, to say nothing of the friction.

E. That's why, in some respects, you are a natural utility.

B. Yeah, but I'm up against a wall right now. That's why I haven't taken any monies or anything else and all I'm doing id hoping to work with the compounded profits that go.

E. If you keep compounding at these levels, Bernie, if you go from, whatever the hell the level is…

B. There are withdrawals, there are always the natural…

E. Yeah. Attrition. That's what…

B. Yeah, people die, people…

E. We had a 16% year last year, the one fund I'm talking about, and we had to give back a little bit less than 5% of the capital. That's all right, that's OK.

B. That happens, and what I'm hoping for is, the market improves, people start making money in other areas, and I won't be so appealing. It hasn't mattered because I haven't taken on any monies anyhow. But at least I won't have to stop saying…well, nobody's asking me any more – I used to have a hard time saying no. Everybody knows I'm serious about it now.

E. I can always tell when people are going to ask me about Bernie, because when people come to the office, ask me what we're doing and I give them a little sense of it, and they look around and say I know I'm not supposed to talk about this, but can I ask you the following question? So I told one person, look, you can ask me how Bernie does it and that's fine, but when are you going to ask Bernie? So he said, look, if I asked him, he'd throw me out. I said, look, all I can tell you is don't ask so many questions. Sit tight. And that's what I tell

everybody. Would I give money to Bernie Madoff before Ezra Merkin? I say *always*. But even I believe in a little diversification.

B. There's no question…

E. I qualify a little for what I call a little bit of hamburger helper. And when the rest of the world is caviar, you know what it looks like, but when the rest of the world looks like what it looks like, for the past two years it hasn't been so terrible. That's no different from you in that respect.

B. No, there's a lot of similarity. All I'm saying is when people try to figure out what I do or why I do what I do or why I don't do what I don't do, it's not that I laugh about it. I don't really laugh 'cause I'm not that interested in it. It's just that in forty years I see lots of people trying to do what I do in lots of different businesses. Most of them eventually fail. For a while, they're all successful, but what they seem to always miss is, you know what they say small is beautiful. What I'm willing to do that no one else is willing to do is stay very concentrated in what I do and not branch out into other things and nobody else wants to do that because the big public companies that really could compete with me…I'm not worried about a hedge fund competing with me, because they wouldn't be able to do it. I don't worry about a small brokerage firm competing because they don't have the order flow, the execution capabilities, the technology that I have. Could a Goldman Sachs or a Morgan Stanley do it? Yeah. They have the capital. Probably the expertise. They have the connections. They could do it. Do I worry about it? No. And the reason I don't worry about it is because if they actually wanted to do it they couldn't because it wold mean getting into businesses – giving up business – that they, realistically, can't give up.

E. Sure…

B. They can't, even if they would like to give them up periodically, you know, when the environment change; they can't really do it. So I'm sort of in what you would call a sweet spot, where I'm large enough that the smaller guys aren't going to compete with me, and the bigger ones, they're beyond that because they're not going to shut down their other businesses just to do this and every time anybody would contemplate doing that, you know, they do enough homework to realize they can't do it. That's why I've retained the amount of order flow that

have, and I have such a low execution cost 'cause I've stayed out of a lot of other businesses. There aren't many people that are likely to compete with me.

E. But you're missing an important point that you sort of veered off and if I'm wrong, correct me. And that is, at the end of the day, you're claiming, in a certain way, to be running the money management operation in ways that are very consistent with the way you've been running them since the last time you made a major change, which is to say when you went to baskets and away from the direct hedging. And that's got to be – ten years ago?

B. Right.

E. I figure that we finished our thirteenth year with you, one way or another. One way or another meaning we had a bunch of accounts and then we made it simpler with the pooled vehicles. What I started to say was that what you're really saying is, it's the same 36 to 42 Madoff names, and as the markets have gotten deeper and broader, you've been able to increase what you're doing but not necessarily because you've gone into a materially different direction in money management.

B. No, it's been basically the same. Don't forget, I started out originally with 11 stocks. Then I went to 15. Then I kept on going until I jumped to 35. OK? So I increased the number of stocks that I bought, which eased the liquidity. on those stocks. The volumes in the , since I started, exploded. And my volumes as a wholesaler exploded. So, the combination of more stocks, wider basket, more order flows…

E. Take it. I've kept you longer than I should.

B. No, that's all right, I'm getting off anyhow. But a lot of things have expanded that have let me accommodate what I do, and now, of course, I have the European expansion, which is a tremendous growth factor for me, not only in the European Stocks, but I'd eventually like to…

Exhibit 50

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MEMORANDUM

To	Mike Autera	**Date**	February 3, 2004
Re	Open items- Ascot Partners, LP	**From**	Irene Sirota

Here is a list of open items :

1. General ledger from 1/1/03-12/31/03
2. Balance with partners account- Is it contributions received in advance? Let me know
3. Do compensating balance arrangements or other restrictions on availability of recorded balances exist?
4. Legal invoices for the year 2003
5. Need Morgan Stanley Statement as of January 2004 when it becomes available
6. Schedule of subsequent contributions and withdrawals from Jan1, 2004-till today
7. Investor Capital Accounts in Excel format
8. Schedule of contributions received in advance @ 12/31/03
9. GP letters for 2003
10. Professional fees detail
11. Explain an increase in dividend expense
12. Legal letter from legal counsel
13. Madoff internal control letter
14. Perform alternative capital procedures for confirms with no response